

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 180 - SB 582

February 24, 2011

SUMMARY OF BILL: Creates a Class D felony for possession with the intent to sell a legend drug acquired outside of Tennessee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$87,200/Incarceration*

Assumptions:

- It is currently a Class C misdemeanor for a person, other than a pharmaceutical sales representative, to possess, sell, barter, or give away any legend drug, except with a valid prescription.
- The Department of Correction (DOC) assumes this bill will result in two offenders per year being convicted of a Class D felony rather than a Class C misdemeanor.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant increase in incarceration costs in this period. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on two offenders.
- According to DOC, the average operating cost per offender per day for calendar year 2011 is \$60.62. The average post-conviction time served for a Class D felony is 1.97 years (719.54 days). The cost per offender at 1.97 years is \$43,618.51 (\$60.62 x 719.54 days). The total additional operating cost for two offenders is \$87,237.02 (\$43,618.51 x 2).
- An increase in the caseloads of state trial courts can be accommodated within existing resources without an increased appropriation or reduced reversion.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/lsc